

# SciGen Ltd

## Board Audit Committee Charter

1. Objectives
2. Composition
3. Meetings
4. Access
5. Duties and Responsibilities

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## 1. Objectives

The main objective of the Board Audit Committee (the "Committee") is to assist the Board of Directors of the Company (the "Board") in reviewing any matters of significance affecting financial reporting of the Company including:

- ensuring the quality, independence and objectivity of financial and compliance reporting is appropriate;
- making informed decisions regarding accounting and compliance policies, practices and disclosures;
- reviewing the scope and results of external audits;
- maintaining open lines of communication between the Board and the external auditors, thus enabling information and points of view to be freely exchanged; and
- assessing the adequacy of the Company's internal control framework including accounting, compliance and operational risk management controls based on information provided or obtained.

"Compliance" in this charter refers to compliance with laws and regulations, internal compliance guidelines and procedures, and other prescribed internal standards of behaviour.

## 2. Composition

The Committee will consist of at least three directors. The Committee members will be non-executive directors who are independent of executive directors and management and also free from any relationships which might, in the opinion of the Board of Directors, be construed as a conflict of interest or otherwise, a compromise of that member's abovementioned independence.

One of the members will be appointed chairperson of the Committee by the Board of Directors. The Chairperson of the Board will not be eligible to be the Chairperson of the Committee.

The Board will annually confirm the membership of the Committee. The Board will regularly consider the periodic rotation of Committee members, whilst ensuring that a suitable level of experience amongst Committee members is maintained. Each member must be financially literate and at least one member of the Committee must have accounting or related financial experience.

### 3. Meetings

The Committee will meet at least twice a year, with additional meetings as the Chairperson shall deem appropriate being scheduled in order to fulfil its duties. In addition, the Chairperson is required to call a meeting of the Committee if requested to do so by any Committee member, the Managing Director external auditors, or any Board director .

The Chief Financial Officer will act as Secretary of the Committee and will be responsible, in conjunction with the Chairperson, for drawing up the agenda (supported by explanatory documentation and papers) and circulating it to Committee members prior to each meeting.

The Secretary will also be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members, to the other members of the Board of Directors and the external auditors.

A quorum of the Committee will consist of two or more members. Any Director will be welcome to attend any Committee meeting. Directors may request papers for or from any meeting. Directors will be notified of forthcoming meeting dates through distribution of Committee minutes.

The Committee will have the right to require the attendance of any Director, executive or employee of the Company, or any external auditor or other professional adviser in the Company at any meeting of the Committee for the purpose of assisting the Committee in the performance of its duties and responsibilities.

### 4. Access

The Committee will have unlimited access to the external auditors and to senior management of the Company. The Committee will also have the power to conduct or authorise investigations into, or consult independent experts on, any matters within the Committee's scope of responsibility. Committee members may seek independent professional advice for Company related matters at the Company's expense, subject to the estimated costs being approved by the Chairperson of the Committee, or failing that person's availability, the Chairperson of the Board, in advance, as being reasonable.

This Charter will be made available to the Company's senior management, the external auditor, external regulators and other parties where requested and as deemed appropriate.

## 5. Duties and Responsibilities

The Committee has the following duties and responsibilities:

- (a) Recommend to the Board the appointment and removal of the external auditors. This may include periodic reviews of the external auditor and tenders may be called by the Committee to assist in deciding which external auditor should be recommended.
- (b) Monitor the internal control environment and management over the Company's assets.
- (c) Review, consider and advise the Board on:
  - the external auditor's annual plan;
  - the fees proposed by the external auditor; and
  - whether an effective, comprehensive and complete audit can be conducted for the fee.
- (d) Inquire of and oversee the activities of internal management and the external auditor about significant risks or exposures and assess the steps management has taken to mitigate such risks to the Company.
- (e) Review, and if appropriate update, the Committee's charter every year. Any amendment to the Charter will be submitted to the Board for approval, and will not be effective or of any force unless and until such approval has been duly given.
- (f) Consider and review with the external auditor:
  - the adequacy of the Company's internal controls including computerised information system controls and security; and
  - any related significant findings and recommendations of the external auditor and management's response thereto.
- (g) Review with management and the external auditor at the completion of each half yearly audit review and each annual audit:
  - the Company's financial statements and related notes;
  - the external auditor's audit of the financial statements and the report thereon;
  - any significant changes required in the external auditor's audit plan.;

- any serious difficulties or disputes with management encountered during the course of the audit;
  - other matters related to the conduct of the audit which are communicated to the Committee;
  - any instances of significant internal fraudulent activity identified; and
  - legal and regulatory matters that may have a material impact on the Company.
- (h) Meet privately with the external auditors at least semi-annually in a separate session to discuss any matters that the Committee or the auditors believe should be discussed privately with the Committee.
- (i) Report Committee decisions to the Board with such recommendations as the Committee may deem appropriate.
- (j) Monitor the effectiveness and independence of the external auditors, including whether the Committee believes any non audit services provided by the external auditors are compatible with the maintenance of the auditors' independence.

